STATE OF ARIZONA

JANET NAPOLITANO
GOVERNOR

OFFICE OF THE GOVERNOR
1700 WEST WASHINGTON STREET, PHOENIX, AZ 85007

MAIN PHONE: 602-542-4331
FACSIMILE: 602-542-7601

January 30, 2006

The Honorable Jim Weiers
Speaker
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Re: House Bill 2661; state employees; pay increases

Dear Speaker Weiers:

Today, I signed into law House Bill 2661, subject to my line item veto of one item therein.

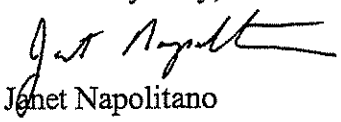
Normally, I do not sign bills that will have a significant fiscal impact until the entire budget is resolved. In this instance, however, Arizona's state employees have waited long enough for a real pay raise. I am pleased that because this legislation passed with an emergency clause, the raises will go into effect on March 11, 2006, and our employees will see this increase in their March 31, 2006 paychecks.

The one item over which I have exercised my line item veto authority is on page 4, lines 14-18. These lines would have created an additional expense to the state by making certain employees hired after December 31, 2006 at a pay grade of 24 and above exempt employees under A.R.S. § 41-771. Because of differences in the way exempt and non-exempt employees accrue annual leave, this change would have posed additional costs to the state unrelated to state employee salaries. Such costs are unwarranted. The current merit system has served Arizona well and I see no reason to exempt future employees at or above grade 24.

While the remainder of this pay package is a good start, it is just that: a start. Future raises will be needed to bring state employees in line with their counterparts in other public sector positions. In addition, the executive recommended budget proposed additional pay raises this year for public safety personnel, such as DPS, DOC, and ADJC; certain personnel at the Department of Health Services, such as nurses at the Arizona State Hospital; and faculty at our universities. These specific requests can be taken up in the context of the FY 07 budget.

Thank you for your attention to the critical issue of state employee pay.

Yours very truly,



Janet Napolitano
Governor

JN:TAN/jm

cc: Hon. Ken Bennett
Hon. Bill Konopnicki